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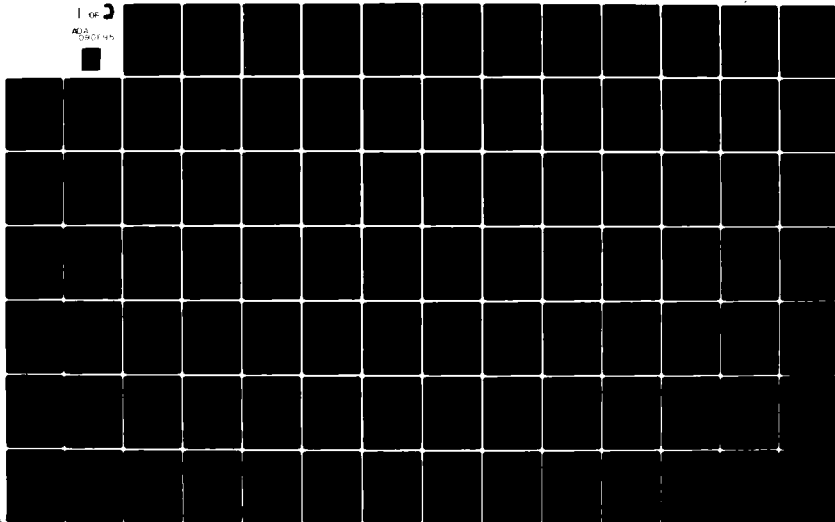
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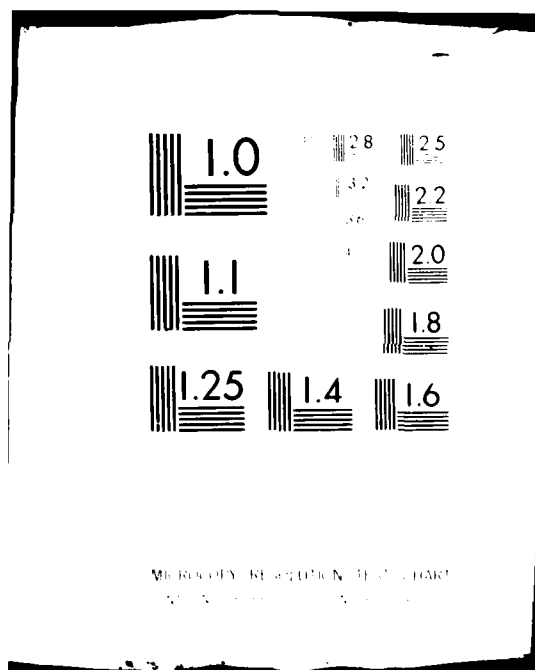
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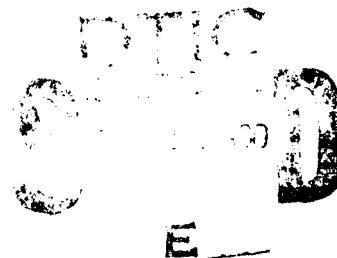
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TRADEOFF ANALYSIS OF REMOVING
DEPENDENTS FROM USAREUR

BY

WALTER A. MATHER
MAJOR, U. S. ARMY

APRIL 1980



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<p>With the changing economic and military conditions in Europe, an alternative to the present policy of accompanied tours to Europe is needed. Both quantitative (schools, housing, allowances) and non-quantitative (morale, readiness, retention, family) factors are examined for two alternative policies, one with no dependents in Europe, the second with a minimum number present, both in conjunction with an 18 month assigned tour. The results indicate</p>		

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that despite the all-volunteer force implications, the
"minimum dependent" policy should be implemented over a five
year period to improve the combat readiness of USAREUR. ↗

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EXECUTIVE SUMMARY

The problems created by the 188,000 Army military and civilian dependents in Europe have developed during the past ten years with the decline of the dollar relative to European currencies and the rapid increase in the number of dependents resulting mainly from the All-Volunteer Force. In response to the problem, Congress acted in the late 70's to cap the number of dependents overseas, first setting the limit at 350,000 and then lowering it to 325,000.

With this setting, coupled with tight Defense budgets and a growing Warsaw Pact threat, the analysis proposes two alternatives to the status quo: first, a "zero" dependent policy which would remove all European dependents; and second, a "minimum" dependent policy which would permit accompanied tours for Corps and higher headquarters personnel. In conjunction with either alternative there would be an 18 month tour for all unaccompanied personnel. Basic to the study are the following:

1. Only federal dollars are considered;
2. The AVF will continue, and both Army force structure (16 divisions) and USAREUR force levels will not change;
3. A CONUS basing plan be developed to assign men for 42-60 months to stateside units, during which time they would deploy to Europe for 18 months;
4. The analysis be limited to the U.S. Army in Western Europe;

5. Any change would be implemented over a five year period.

The status quo and alternatives are examined from quantitative and nonquantitative viewpoints. The quantitative analysis is based on the dependent's savings/cost differential between Europe and CONUS. The factors investigated are:

Schools

Transient Personnel Increases

Housing

PCS/Allowances

Medical

Commissary/Base Operations/DYA

Significant savings are found in schools, PCS/Allowances, and Commissary/Base Operations. School savings are generated by the difference between the cost per pupil in Europe (\$2,332) and Federal Impact Aid paid in CONUS (\$359). PCS savings result primarily from the reduction in moves through the CONUS basing plan. Commissary and Base Operations have small CONUS offsets and were therefore all savings.

The costs result from transient personnel increases (7,900 soldiers) and housing. The latter include BAQ and separation allowances paid to the CONUS dependents. The savings and costs combined result in a net savings of \$345M and \$135M for the zero and minimum alternatives.

<u>FACTOR</u>	<u>STATUS QUO</u>	<u>Incremental Savings/Cost</u>	
		<u>ZERO</u>	<u>MINIMUM</u>
Schools	\$ 151.1M	+ \$ 127.8M	+ \$ 93.3M
Personnel Increases	--	- 40.2	- 36.1
Housing	306.7	- 13.8	- 79.2
PCS/Allowances	301.7	+ 174.0	+ 97.4
Medical	67.8	+ 12.5	+ 7.2
Comm./Base Ops/DYA	89.7	+ 84.7	+ 52.7
TOTAL	\$ 917.0M	+ \$ 345.1M	+ \$135.3M
Per Dependent	\$4,877	\$1,835	\$718

The nonquantitative analysis utilizes the testimony of DOD leaders, Army statistics, and responses to a soldier questionnaire sent to three CONUS posts and one European kasern. Factors examined are:

1. Training/Readiness
2. Discipline/Drugs
3. Morale
4. Enlistment/Retention
5. Family
6. CONUS unit impact
7. Political
8. Balance of payments

The areas of training and readiness are important for improvement is necessary in both for an alternative to be considered favorably. Both are seen as improving based on the soldier responses and leader appraisal. Similarly, discipline, drugs, balance of payments and enlistment were determined to be improved based on statistical data. On the negative side, the impacts on individual morale, retention, the family, and

political relationships with Allies and adversaries are found to be negative.

Combining the quantitative and nonquantitative analysis results in a definite indication leading to a move away from the status quo. The dollars saved are not trivial: the zero policy would purchase 300 XM1 tanks or 700 Infantry fighting vehicles annually while the minimum policy would support fifty additional local area field training days for every armor and mechanized battalion in USAREUR. Nonquantitatively, the AVF impacts significantly but overall the balance is favorable, led by improvements in discipline, training, enlistment and readiness.

With the status quo deemed undesirable and an alternative policy feasible, the recommendations are that:

1. The minimum dependent policy (20,000 accompanied personnel, 50,000 dependents) be implemented over the next five years.
2. Funds saved by the dependent reduction be reprogrammed into USAREUR for training and readiness.
3. The CONUS basing scheme be enacted via an enlistment or assignment agreement.
4. Non-command sponsored dependents be permitted only emergency medical treatment in Europe (no schools, PX, housing).

The minimum dependent policy will improve the combat readiness of the Army in Europe. With better discipline, fewer drug problems, and sufficient funds to increase training, the forward deployed units of USAREUR will better be able to win the first battle of the next war.

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CHAPTER I

INTRODUCTION

The question of maintaining the current policy of permitting dependents to accompany service members to Europe has received Congressional attention from both sides of Capital Hill. The House Appropriations Committee reported:

In addition to the heavy troop level burdens placed on the American people, we have increased this burden by having to support some 235,000 dependents and 14,000 U.S. civilian employees (in Europe). The maintenance of all these dependents and civilians greatly increases the cost of deployment and weakens the fighting capability of our forces.¹

The prevalent Senate Armed Services Committee position is articulated by Senator Stennis:

I have been concerned for some time about this great number of dependents that have been accumulating over there (Europe). I don't know of any impediment that works more to the benefit of the other side . . . than this massive number of people, 300,000 to 350,000 to get out . . . I can't sit idly by . . . I think you should do something about it, frankly.²

To which Senator Nunn adds:

I know it (dependents in Europe) is a difficult problem. I know anything that is to be done has to be done gradually and carefully if there is a change. But if we are hunting for defense money in terms of areas where we can shift cost into research and development and procurement . . .³ it seems to me it is an area we should look into.

The uniformed services response to Congressional questioning has been less than satisfactory, and the civilian leadership of DOD has done little to calm the Congressional concerns.

The list of witnesses who have testified in the last two years before the Senate Armed Services Committee and House Appropriations Committee on the dependent overseas question has been impressive: Army Chief of Staff General Rogers; SACEUR General Haig; the Army, Air Force and Marine deputy chiefs of staff for personnel; the Assistant Secretaries of Defense for Manpower (Drs. White and Pirie); the Assistant Secretary of the Army for Manpower; and the Army Deputy Chief of Staff for Operations (who later became the Army Chief of Staff). Despite voluminous testimony the Congress was not satisfied that the services were headed in the right direction and subsequently acted to legislate a reduction in overseas dependents.

Before examining the Congressional acts that reduced the number of dependents overseas it is necessary to review briefly how the problem arrived at today's proportions. With the conclusion of World War II, the advent of the Marshall Plan and the formation of NATO, the U.S. military became a key player in the defense and well-being of Europe. Dependents were encouraged to join their sponsors overseas as one indication of resolve to honor our commitment to NATO and as a means to assist in rebuilding Western European economies through the influx of additional dollars. With the strength of the dollar at a high point relative to European currencies, life for a serviceman, regardless of rank, was comparatively better than his counterpart in CONUS. As troops strength grew,

so did dependent strength, and with the latter came the supporting systems such as schools, medical facilities, PX and commissaries, housing and furniture, and recreational facilities. By the late 1960's, the number of DOD dependents in Europe had grown to 230,000.⁴

The advent of the 70's produced the genesis of the problem. Costs to move families to Europe were the focus of Congressional scrutiny as competition for federal dollars became more intense. During the same period, the U.S. moved off the gold standard, and the value of the dollar with respect to European currencies, especially the West German (FRG) mark, began to decline precipitously. The 70's were a decade of economic success for Western Europe, led by West Germany. By the mid-70's per capita income in the FRG was higher than that in the U.S. The American family in Europe that lived far better than their stateside compatriots in the 60's could no longer do so by the mid-70's. The economic good life had become a sacrifice; by the late 70's, ninety percent of those surveyed in Europe believed their current standard of living was worse than it had been in the U.S. prior to their departure.⁵

In that economic setting American armed forces strength in Europe was increased due primarily to an increased threat from the Warsaw Pact. With the higher troop levels came an even greater increase in dependents, for the new All Volunteer Force had more married soldiers than did the draft Army.

By late 1978 there were 310,000 dependents in Europe, with the number of dependents per member having grown 47% over the preceding 10 years.⁶ The support structure (such as schools and housing areas) was well established. At that point, Congressional interest was raised in two areas: (1) the cost of maintaining the dependents overseas (Sen. Nunn's position); and (2) the problem of evacuating them in time of war (Sen. Stennis' position). It fell to the Army to respond to the cost question, since it was first raised in Congressional testimony by the Army Chief of Staff. In August, 1979, in a letter to Rep. Nichols (and hereafter referred to as the Nichols Report), the Army stated that the cost differential between maintaining dependents in Europe versus CONUS was \$800 more per dependent, a relatively small sum when compared to the benefits accrued.⁷

DOD was unable to answer the evacuation question as positively. Exercise NIFTY NUGGET was conducted in the fall of '78 to evaluate mobilization plans in time of war. Part of that exercise tested the evacuation plans for dependents in Europe. As stated by the Assistant Secretary of Defense (MRA&L) Robert Pirie in February, 1979, "It (NIFTY NUGGET) addressed . . . whether we have adequate plans and procedures (for dependent evacuation) The answer is that the plans and procedures are inadequate . . . that we would have great difficulties in performing the evacuation."⁸

The two factors of cost and evacuation, and a third, growth in the number of dependent overseas, led Congress in 1978 to cap the total number. Congress asked DOD to define the limit and was told 350,000, a figure subsequently placed into the appropriations act. In less than a year DOD discovered a counting error (or a misinterpretation of the meaning of the act) and had exceeded the Congressionally-imposed ceiling by 25,000. Again Congress acted, this time with less DOD input. The two houses differed in their versions, the Senate wanting an immediate reduction (to 325,000) followed by a five year, 30% decline, and the House pushing for a higher ceiling (375,000) but wanting to terminate all support for non-command sponsored dependents.⁹ The 1980 Defense Authorization Act, resolved in conference, set the limit of 325,000 command sponsored by amending Title 37 of the United States Code prohibiting funding of dependent travel after 30 September 1980 if the limit were exceeded.¹⁰

Having set the scene economically and described the Congressional initiatives, the limits of the problem for this analysis are required. Dependents overseas are roughly distributed in a 70:30 ratio between Europe and other areas (the dominant of which is the Far East). Within Europe, 60% of the dependents are Army as shown in Table I. For the purpose of this study, that is the scope and geographical region that will be investigated: Army, Europe. The Air Force dependent strength in Europe constitutes the majority

TABLE I

PERSONNEL AND DEPENDENT STRENGTHS IN USEUCOM

	<u>ARMY</u>	<u>AF</u>	<u>NAVY/MC</u>	<u>CIV</u>	<u>TOTAL</u>
U.S. Military	208,020	73,347	48,126	--	329,493
Civilian	12,969	3,577	644	6,876	34,066
Total Dependent	188,106	103,377	16,941	392	308,776
Military Dependents	(176,618)	(99,801)	(16,106)	--	(292,525)
Civilian Dependents	(11,488)	(3,536)	(835)	(392)	(16,251)

Source: U.S. Congress, Senate, Committee on Armed Services Hearings,
DOD Authorization for Appropriations for FY 1980 (Washington: U.S. Govt. Print.
Off., 1979) pt 4, p. 1529.

of the remainder of the European based dependents, with the Navy and Marine contribution negligible. To a large extent the future Air Force policies will approximate the Army policy, although not exclusively, since the training, environmental, and personnel situation in USAFE is different from USAREUR. Despite that, if the Army drastically curtails its dependent strength and consequently their support facilities there will be repercussions for the Air Force in Europe.

The approach used will be to examine the problem from both cost and the intangible factors such as morale, retention, and readiness. Inherent in the study will be the assumption of an 18 month unaccompanied tour. That tour length was chosen as the minimum period feasible from the standpoint of readiness and training and is the length desired by the SACEUR and CINC-USAREUR for first term enlistees. With that tour length chosen for operational (not cost) reasons, an examination will be made of two USAREUR dependent levels, one of zero dependents, the other a "minimum" level.

The zero dependent strategy is self-explanatory: no Army personnel would be authorized dependents in Europe. The minimum dependent strategy would be similar to the policy presently in Korea. Division-level units and below would be unaccompanied. The two corps headquarters, the support and personnel headquarters, HQ USAREUR, and HQ EUCOM would be 24-36 month tours with dependents. Such a minimum policy would be limited to 50,000 dependents in USAREUR.

Cost factors will be in 1979 dollars for comparative purposes.* The primary source for the non-quantifiable factor discussion will be a questionnaire distributed to several CONUS posts and USAREUR units. Where statistical support exists for non-quantitative areas -- such as reenlistment rates -- 1979 data is used.

Basic to an 18 month unaccompanied tour would be a CONUS basing plan to reduce family turbulence. Current Army policy permits funding of a family move to the home of record upon departure of the serviceman on an unaccompanied PCS assignment, and moves them again upon his return. The CONUS basing plan assumed would modify the one now used for short tour assignments. The serviceman would be stationed in a CONUS unit for a minimum of 42 months (maximum of 60), during which he would spend 18 months in Europe with his dependents remaining at the CONUS post. Ideally, the 18 months in Europe would be in the middle of the period, permitting stateside units to benefit from stabilization and from the individual's European experience upon his return. The management of such a policy could be via an enlistment option for the four year first term, a reenlistment option for the career soldier or an assignment agreement for an officer.

*The CPI was used to inflate figures from 1976, 1977, and 1978 to 1979 where necessary. It is recognized that the CPI is somewhat optimistically low in areas such as transportation; however, the variance would not appear to affect the trend of the analysis.

A literature search of the subject of alternative dependent strategies revealed little. The most comprehensive effort was conducted by the Defense Manpower Commission (DMC) in 1976. DMC contracted with the consultant firm of Cresap, McCormick and Paget who produced a comprehensive quantitative study comparing the status quo with an alternative policy of 12 month unaccompanied tours. More recently, DA directed a Tour Length Task Force (known as the TLTF or the Granger Report) to examine alternative tour lengths of 18 to 24 months for first term enlistees; it did not address dependents. This was essentially a non-quant approach, as was an Army Research Institute examination conducted in Europe in 1977-78 that examined the relationship between drug use, retention, discipline and tour lengths. The previously mentioned Nichols Report did attempt to quantify the alternative costs of maintaining dependents in CONUS versus USAREUR; it did not address the non-quant aspects of the alternative policy (which was an 18 month tour), nor did it or any of the studies attempt to solicit the attitudes and responses of members of the Army that would be affected by a change in policy.

The assumptions made that affect the study as a whole are:

1. The Army will remain an All Volunteer Force. To argue on the basis of a draft environment is unrealistic for the time frame 1980-85.

2. Either alternative policy would be implemented over a five year period.

3. Present troop levels in Europe will be maintained, and Army CONUS force structure will not be altered; i.e., no reduction in Army divisions.

4. The Space Imbalance MOS (SIMOS) problem will be resolved outside of the dependent question.

One bias of the author affects the motivation and direction of this study: the focus is on combat and combat support arms. This is not to slight the combat service support role but implies that the greatest hardships and sacrifices will be made by those expected to fight the land battle in Europe.

CHAPTER II

COST FACTORS

Introduction

A change in the policy permitting dependents to accompany servicemen to USAREUR will result in a modification of costs related to those dependents. To evaluate the alternative policies the following factors will be quantified:

1. Schools
2. Personnel Increases
3. Housing
4. PCS/Allowances
5. Medical
6. Base Operations, Commissary, DYA

The order of the factors is representative of their importance in terms of quantity of dollars. The first four -- schools, personnel, housing and PCS -- constitute the majority and will therefore be examined in detail. At the end of each discussion a summary chart will tabulate the costs associated with the status quo and the incremental costs/savings of the alternatives.

Schools

The Defense Department maintains an overseas school system that is the 13th largest in the U.S., educating 138,000 students.¹ In Europe there are 108,000 with 60%* Army related.² The school system is operated by DoD with a planned move to the Department of Education beginning in late 1980. In addition to the schools, there are five dormitories in operation supporting Army dependents.

A reduction in dependents will lower the cost to the Defense Department presently and later to the Department of Education. The savings to the Federal government must be offset by the amount paid to local school systems for educating DoD-related dependents in public schools. Public Laws 81-874 and 81-815, administered by HEW, are the two statutes governing payment of Federal funds to localities for student education.

A brief explanation of the laws is necessary. PL 81-874 Title I "authorizes financial assistance for maintenance and operation of schools to local education agencies on which activities of the United States placed a financial burden".³ The exact amount of the Federal contribution is based on the local district contribution, not the average per pupil expenditure. For example, in 1977, the

*Based on general statistics found in Appendix 2.

average per pupil expenditure was \$1,425, while the average local contribution rate was \$740.⁴ From the local contribution rate is derived the amount (33% to 100%) the Federal government pays. That amount is dependent on the category of the dependent, such as those residing on Federal property or with a parent employed on Federal property or dependents of active duty servicemembers. The rate is also based on the proportion of Federal dependents to the average daily attendance.

PL 81-815 authorizes Federal "financial assistance for constructing urgently needed minimum school facilities in school districts having substantial membership increases due to new or increased Federal activities."⁵ PL 81-815 funds are provided as a percentage of the average per pupil cost of constructing school facilities in the state in question, the percentage (50% to 90%) dependent on the status of the child's parents (residing on or off base).

DoD's FY 1979 costs to educate a student in Europe was \$2,332.⁶ This figure accounts for costs associated with salaries, operations and maintenance expenses, and dormitories. It does not include the per capita share of real property such as desks, tables, cafeteria equipment, and audio-visual items, nor does it include textbooks or major construction. These items will be addressed later.

As noted earlier, the monies saved by a reduction in Europe will be offset by PL 81-874 and 81-815 expenditures.

In FY77, HEW paid 745.7 million dollars to school districts for 2.45 million students, a per pupil average of \$304.⁷ Updated to 1979 dollars, the average expenditure would be \$359. That figure is based on PL 81-874 only, under which almost all dependents would fall in CONUS. Claims under PL 81-815 would not realistically be expected to be significant, assuming a locating system of uniform distribution across CONUS Army bases which would preclude construction of new facilities.* The incremental savings is the difference of DoD's cost and impact aid expense: \$2,332-\$359 or \$1,973.

The Federal impact aid figure is substantially lower than the amount used in the Nichols' study. That analysis used both impact aid and local/state support dollars for the cost to educate a dependent in CONUS. One premise of this effort is that only Federal dollars would be considered, an assumption appropriate for DoD decisionmakers.

As mentioned earlier there is a one-time savings associated with school property assets. Quantification of those assets was requested from Headquarters, DODS, as well as from the field office in Karlsruhe, Germany. No response was received. In lieu of the actual real property value data, the FY79 DoD budget figure for supplies

* To be eligible a school district's average daily attendance must increase more than 6% from service-connected dependents.

and Education Equipment was used which includes education supplies, equipment and audio-visual items. The total amount was 8.1 million dollars or \$59 per student.⁸ To this is added a textbook/library book cost of 3.3 million dollars DoD-wide or \$60 per student.⁶ Together these costs are used to approximate the value of the real property in the DODS-Europe that would be translated into savings if the schools did not exist. At a combined figure of \$119 per student, the Army-Europe's share of the one-time savings would be 7.7 million dollars. (This area needs additional examination, for intuitively the potential savings could be far greater.)

Applying the two cost figures to the alternative policies (with 64,800 Army students in CONUS under the zero policy and 47,304 in CONUS under the minimum alternative), and recognizing that one savings is annual while the other is a non-recurring benefit, the incremental savings are shown below.

TABLE II
SCHOOL SAVINGS

<u>Factor</u>	<u>Status Quo</u>	<u>Incremental Savings</u>	
		<u>Zero</u>	<u>Minimum</u>
Per Capita	\$2,332	+\$1,973	+\$1,973
Annual	\$151.1M	\$127.8M	\$93.3M
One-Time	7.7M	7.7M	5.6M

Personnel Increases

With the introduction of a reduced tour length for all or most of the 208,000 troops in USAREUR, the number of service members in transit at any given time will increase. For example, with today's policy the difference between actual and assigned time in Europe is about four months for first termers; the latter figure is 26 months while the actual time is 22 months.¹⁰

A decrease in assigned time to 18 months would increase the number of transients to Europe by a factor relative to the new actual tour length. Department of the Army (DA) studies have determined that the increase would be 7,900 people in the Individuals Account to accommodate the increased transient population.¹¹ The cost of recruiting, paying, clothing, training, and moving is based on the cost of those factors Army-wide, which is \$6,786 per individual recruit.¹²

This logic assumes that with those funds the additional force could be recruited, an assumption that is questionable. The Army failed to meet its recruiting goals for FY79 by 10,000 soldiers, and to make up that deficit plus the required increase (to support the shorter tour length) would be difficult. Army plans for the current deficit are to correct the problem over a five year period. The additional increase would compound the present dilemma and necessitate

a target date of later than 1985 to resolve. Such a time-frame conflicts with the premise stated in Chapter I that a change would need be accomplished over a five year period.

There are two alternatives to recruiting the additional force and thus increasing the Army end strength; one, modify the current structure to accommodate the new requirements; and two, decrease the leave time associated with each PCS.

The first encroaches on areas that involve complex political and military priorities. To suggest in isolation that the Army reduce its active divisions by one or more to accommodate the transient increase to Europe would be unwise. For that reason, the original assumption (that the total force structure would be unchanged), will remain valid.

The second alternative, modifying the PCS-related leave, is possible. For planning purposes, the current modus operandi of married European transients is 30 days leave prior to departure and 30 days leave upon return, with 15 days for single soldiers. The actual transit time of one to five days is minor in comparison. Part of the justification for the 30 day requirement is the need to pack, move and settle the family. With a CONUS basing plan as presented, the dependents would not be moved. If the leave time on both ends were reduced to two weeks (for both married and single soldiers), the transient population would decrease by 28% (21 versus 15 days average) for a 13 million dollar decrease in cost from the initial estimate.

The implementation of such a policy would need to be handled very carefully to preclude disaffection by the serviceman to the loss of a perceived benefit. In fact, a 15 day leave policy added to a two week leave at mid-tour would equal the amount of leave authorized during an 18 month period, i.e., 45 days or 6 weeks.

The costs associated with each alternative are:

TABLE III
PERSONNEL COSTS

	<u>Status Quo</u>	<u>Incremental</u> <u>Zero</u>	<u>Minimum</u>
No leave change	---	-\$53.6M	-\$48.2M
2 Week PCS Leave	---	-\$40.2M	-\$36.1M

One additional factor should be noted. While the increased end strength is viewed in negative cost terms, it does represent a one-time surge capability during crisis periods. The size of the increase, nearly 8,000 men, represents the strength of half a division that could be frozen in place and utilized in times of extreme emergency, and is not, therefore, always a lost asset.

Family Housing

The cost of operating and maintaining family housing in Europe includes furnishings, leases, and management of the community level. There are 50,833 units currently, of which 40,965 are in Government controlled housing areas, 6,996

are leased from local nationals, and 2,872 are temporary quarters; the latter are not used in this study.¹³

Either alternative plan for reducing dependents would have two costs: one, the costs associated with housing the dependents in CONUS; and two, the costs of modifying existing housing areas to accommodate geographical bachelors in Europe. Before looking at either of these, an identification of the current system costs is required.

Operations and maintenance costs for FY79 were \$272.8 million for the 41,000 government-controlled units or \$6,653 per set.¹⁴ This includes personnel salaries for the management of the housing system as well as repair and utilities. It does not include the value of the furniture provided for the quarters, which was \$252 million or \$4,957 per set of quarters (including leased and temporary).¹⁵ The 6,900 leased quarters cost an average of \$404 per month, or \$33.91 million annually.¹⁶ Combined, \$559 million is the value associated with the quarters and leases, divided into annual and one-time costs.

Turning to the costs of maintaining the dependents in CONUS, several realistic assumptions are necessary. First, government quarters will not be available and thus Basic Allowance for Quarters (BAQ) will be paid. It could be expected that government quarters may be occupied by a family whose sponsor is overseas but that would require another family to reside off post and draw BAQ, the net

result of which is the same. Second, sufficient affordable housing is available in the vicinity of the post to support the increases. The gradual phasing of either alternative over a five year period makes this possible in those areas where housing does not presently exist. Third, per the basing plan concept, families will not be funded to move upon departure of the sponsor overseas.

Under the zero dependent alternative, all dependents would be in CONUS and would draw BAQ and family separation pay. That cost would be \$155 million.¹⁷ Under a minimum dependent policy, the payment would be reduced to \$116.2M since a quarter of the presently married European servicemen would be in Europe with families and therefore not drawing BAQ and separation pay.

The new geographical bachelors, estimated to be 80,000 would now need facilities. Given that the current BAQ and BEQ are at 100% capacity and assuming that all troop barracks are at or above 100% fill (a somewhat pessimistic assumption, especially for the junior ranks), the Army would need to provide living space from vacated family quarters or build new BOQ/BEQ.

The Army approach to the conversion was to modify substantially the existing quarters to accommodate the geographical bachelors. This would cost \$3,216 per set of quarters for 20,000 sets (figuring that each set would

accommodate four men) for a net conversion cost of \$70.76M.¹⁸ To construct new facilities would cost nearly \$6B and is not considered further for that reason.

An alternative to the Army approach would be to not modify the existing quarters and place each officer/NCO/EM in his own bedroom, with each set of three or four sharing a common living room, dining room, bathroom(s) and kitchen. No cost would be associated with this use of the quarters; a precedence exists for such an arrangement in some locations in Korea. Rather than four per set, the planning figure would be three to average between the two and four bedroom units: needed would be 26,000 of the current units, or 65%.

With the proposal outlined above, two costs remain: one, to furnish the quarters, and two, to operate and maintain them. Using FY79 data the furnishings would be valued at \$31M (26,600 sets x \$5,040 per set) in one-time costs, with operations and maintenance expenses of:

Maintenance: 26,600 sets x \$2,043/set = \$54.3M

Operations: 26,600 sets x \$4,179/set = \$111.16M

The minimum case would combine the use of family sets for 20,000 sponsors with families and 60,000 geographical bachelors. The latter would need 20,000 family sets, and the dependents would retain their 20,000. The total needed is virtually the current government owned inventory of 41,000. The incremental savings in operations and maintenance

would be virtually zero. The same is true for one-time cost of reducing the furniture inventory and overhead. The net savings would be from the leased quarters, or \$33.9M.

In summary, the total housing related costs associated with either alternative are shown below.

TABLE IV
HOUSING COSTS/SAVINGS

	<u>Status Quo</u>		<u>Zero</u>		<u>Minimum</u>	
	<u>Amount</u>	<u>One-Time</u>	<u>Annual</u>	<u>One-Time</u>	<u>Actual</u>	<u>One-Time</u>
Operations	\$183.2M	-	(111.2M) +72.0M		0	
Maintenance	89.6M		(54.3) +35.3		0	
Furniture		252M		131.8		0
Leases	33.9M		+33.9		+33.9	
BAQ/Sp. Allow.			-155		-113.1	
TOTAL	\$306.7M	\$252M	-\$13.8M	+\$131.8M	-\$79.2M	

PCS/Station Allowances

The costs of moving dependents to Europe may be divided into six areas: transportation of dependents, household good shipments, POV shipments, non-temporary storage of goods while overseas, transportation of military members, and station allowances. The last category includes family separation pay for members without dependents and BAQ

payments for dependents remaining in CONUS; those allowances were presented in the Family Housing section.

The Nichols' Report assumed the current policy of dependent moves in CONUS when the servicemember goes overseas would continue. As discussed in Chapter I, the CONUS basing plan would eliminate that assumption, resulting in considerable savings to DoD.

Analysis of the six elements of their components reveals additional differences. Cost data for the movement of people and goods came from the Army Budget Office; in addition, the Military Traffic Management Command provided some computer-generated data.

The first element is transportation of military dependents. The Army budget allocated \$27.1M;¹⁹ given the tariff for the flight to Europe of \$285* that amount appears low. If 36 months is used for an accompanied tour, one-third of the 188,000 dependents would move each year. That number of moves at the tariff rate would cost \$35.1M or \$8M more than the Army figure. Under the zero policy, that amount would be saved; under the minimum policy, with 50,000 dependents in Europe and a 36-month tour assumed, 16,600 would move per year at a cost of \$9.3M for an incremental savings of \$25.8M.

*Cost from SATO Office, NETC, Newport, RI

Dependent related household goods shipments to Europe for FY79 cost \$88M.²⁰ Military Traffic Command (MTMC) data for DoD was \$60.36; if 60% were Army (corresponding to the density of Army dependents in Europe), the household goods cost would be \$36.2M.²¹ The discrepancy in the figures cannot be accounted for by the author. The computer run executed by MTMC had an anomaly that MTMC was unable to explain, specifically that outbound shipments were twice the number of inbound and more than twice the weight. For that reason the Army Budget Office figures will be used. The zero policy would save the entire \$88M, while the minimum case would cost \$23.8M, thus saving \$64.2M.

Dependent related POV costs for FY79 were estimated to be \$17.2M.²² To ship a car to Europe costs the Government a port handling charge (e.g., \$15.76/ton), an ocean rate (i.e., \$70.70/ton), and a fuel surcharge (e.g., 28% of the ocean rate or \$20.29).²³ All weights are measurement tons, not long tons, with the average POV being 11 measurement tons. Per automobile, the cost to the Government from the East Coast to Bremerhaven is \$1,174.25.

The zero policy would eliminate the dependent related POV costs; the minimum policy would require cars for most of the 20,000 accompanied personnel at a cost of \$4.3M for a savings of \$12.9M.

Non-temporary storage costs of household goods amounted to \$11.0M; the zero policy would save all of that, while the minimum policy would generate a net savings of \$8.25M.²⁴

The next to last element is allowances. Housing and separation allowances were discussed in the Family Housing section. Remaining are cost of living allowances (COLA), housing allowance to those residing on the economy (HOLA), and temporary lodging allowances (TLA). COLA payments of interest are the incremental amount between "with" and "without" dependents and are paid regardless of where the family in Europe resides. HOLA, on the other hand, would be eliminated completely because there would be no requirement for families to live on the economy. (The Family Housing section describes this adequately.) TLA would be reduced considerably under either policy since government quarters would be available in all cases, thus saving the government the hotel-related TLA expenditures.

The zero policy would generate a savings of \$99.6M from station allowances; the minimum would save \$72.7M (73% fewer dependents in Europe).²⁵

One cost remains: increased military member PCS costs. With the tour reduction, the number of PCS moves would increase by a factor equalling the current average tour length divided by the new average tour length. If 30 months is used now (a pessimistic assumption) and 18 months

under the zero policy, PCS of military members would increase by a factor of 1.66. FY76 data for Western Europe²⁶ for PCS costs of military members was \$49.8M. Applying the factor increase and the CPI inflators, the FY79 PCS costs would be \$97.6M for a net cost incremental increase of \$38.8M.

The minimum policy would be more complex. Twenty-thousand servicemembers would be on 36-month tours; the remaining 200,900 (188,000 military and 12,900 civilian) personnel would be on 18-month tours. The average tour length would be slightly under 20 months, the factor would be 1.50 (30:20), the cost \$88.0M, for an incremental cost increase of \$29.3M.

A method to reduce the negative impact of an 18-month separation for serviceman and family would be to program a mid-tour leave. To be attractive and cost-effective for the sponsor the transportation costs to and from Europe would have to be paid by the government. A variation of the serviceman returning to CONUS would be the spouse flying to Europe, with her return trip scheduled to coincide with the end of the two-week leave.

The air costs associated with a mid-tour leave program would not be excessive compared to other costs presented. The late 1979 MAC tariff from the East Coast to Frankfurt is \$285 or \$570 roundtrip. Under the minimum policy, the

80,000 unaccompanied married servicemen would be eligible for one such trip during their 18 months. Two-thirds (53,600) would participate each year at a cost of \$30M. Under the minimum policy, there would be 60,000 eligible geographical bachelors; 40,000 would go each year at a cost of \$22.40M.

In tabular form, the costs of the status quo and the incremental costs/savings of the two alternatives are:

TABLE V
PCS/ALLOWANCE COSTS/SAVINGS

<u>Factor</u>	<u>Status Quo</u>	<u>Incremental</u>	
		<u>Zero</u>	<u>Minimum</u>
Dependent Transportation	\$ 27.1M	\$+27.1M	\$ + 16.5M
Household Goods Shipments	88.0	+88.0	+ 53.7
Non-Temp. Storage	11.0	+11.0	+ 6.7
POV Shipments	17.2	+17.2	+ 10.5
Station Allowances	99.6	+99.6	+ 60.8
Military PCS	58.8	-38.8	- 29.30
	\$301.7M	\$+204.1M	\$+118.90M
CONUS Leave		- 30.0	- 22.4
TOTAL		\$+174.1M	\$+ 96.50M

Medical Costs

Army dependents in Europe are provided medical care and limited dental care from 11 Army hospitals. The most recent compilation of usage and costs for dependents in USAREUR is FY77; they are presented below, updated to '79 dollars.

TABLE VI
DEPENDENT MEDICAL CARE

	USE		COST		TOTAL
Bed Days	117,520	@	191.12	=	22.5M
Clinic Visits	1,420,580	@	22.78	=	32.4M
Dental Procedures	1,429,162	@	9.04	=	12.9M
					\$67.8M

Source: Department of the Army Surgeon General's Office, January, 1980.

By comparison, the total (military and dependent) usage for the same year was:

TABLE VII
MEDICAL FACILITY USAGE

		Military	Dependent
Bed Days	361,078	68%	32%
Clinic Visits	2,943,613	52%	48%
Dental	3,251,934	56%	44%

Source: Interview with Mr. Pierce, Department of the Army Surgeon General's Office, January, 1980.

With either the zero or minimum dependent alternative, two things would occur. First, equivalent medical care in CONUS would be provided via either military facilities or CHAMPUS

payments. Second, Army-Europe facilities would be curtailed. This latter point is contrary to stated Army policy and will be examined shortly.

The CONUS medical costs ideally would be absorbed by the Army's medical facilities (36 hospitals). That would accrue an incremental savings to the Army since Surgeon General cost figures show that CONUS care costs are 9%, 13%, and 20% less than Europe for bed days, clinic visits, and dental procedures.²⁸ The main question for military medical facilities is: how much of the increased CONUS workload can they absorb without incurring new building costs and increased doctor and nurse costs? The worst case would be entirely CHAMPUS; the best case would be to absorb the increased patient load with present military personnel and facilities.

CHAMPUS costs for dependent care are significantly higher than direct military care even with the individual's contribution (the deductible amount) removed. Assuming all costs were paid by CHAMPUS, the cost of European care provided in FY77 (updated to FY79) are shown in Table VIII (the individual contribution is not shown). The best case solution - direct care - is not feasible given the present capacity of CONUS facilities. What is needed is a minimum cost, feasible combination. The Surgeon General's office believes that 74% direct, 26% CHAMPUS is such a combination.

TABLE VIII
CHAMPUS COSTS

Bed Days	117,530	@	\$230.46	=	$\frac{1977}{\$22,940,557}$	$\frac{1979}{27.0M}$
Clinic Visits	1,420,580	@	\$ 65.79	=	79,183,129	<u>93.5M</u>
TOTAL						120.5M

Source: Department of the Army, Surgeon General Working Paper, undated.

Before examining the two alternative policies costs it is necessary to discuss the status of European facilities if either policy were implemented.

The dependent related portion of the medical workload ranges from 32% to 48% of the total. Despite that, the Department of the Army Surgeon General's office position is that "military health care personnel in Europe would not return to CONUS...since they are already inadequate to support approved NATO contingency plans."²⁹ That assertion is unsupportable given that a third of the bed days and almost half of the clinic visits are not military. Certainly the physical plants would be reduced with associated savings in operations and maintenance and some personnel associated savings.

The Defense Manpower Commission concluded in 1975 that the removal of dependents would:

- Reduce the average daily patient load by 29%.
- Reduce the outpatient visits by 37%.
- Reduce the officer personnel costs by 15% due to the elimination of the need for such personnel as pediatricians, and the majority of the obstetricians and gynecologists and physicans in the other related fields.
- Reduce civilian personnel costs by 20% due to the decreased workload.
- Reduce the cost of dental care by 41%.³⁰

Turning to the two alternative policies and their incremental medical costs, Table IX provides the amounts calculated. A detailed breakdown of the quantities is found in Appendix III.

TABLE IX
MEDICAL SAVINGS

	<u>Status Quo</u>	<u>Incremental</u> <u>Zero</u>	<u>Minimum</u>
Bed Days	\$ 22.5M	+\$.3M	+\$ 0.2M
Clinic Visits	32.4	+ .3	- 1.7
Dental Proc.	<u>12.9</u>	+ <u>11.9</u>	+ <u>8.7</u>
	\$67.8M	+ 12.5M	+ 7.2M

The incremental differences are negligible with the exception of the dental savings. Since CHAMPUS does not cover dental care and dental facilities are not generally available in CONUS for dependents, the savings are generated by a transfer from the government to the individual who must pay for the equivalent care.

Finally, in accordance with one of the assumptions made at the beginning of the study, only Federal dollars were used. It is recognized that either alternative policy would create a significant cost to individuals in CHAMPUS payments for that portion of the population that utilized CHAMPUS.

Miscellaneous Costs (Base Operations, Commissary, Dependent Youth Activities [DYA]). The Army operates 42 commissaries in Europe, varying in size from small "neighborhood grocery stores" to large supermarkets such as the one in Frankfurt. The FY79 cost for operations and maintenance was \$27.5 million; all would be saved if military and civilian personnel were required to utilize military dining facilities.³¹ The Nichols' Report offset that by \$20.8M to accommodate the dependents in CONUS military commissaries. That offset is difficult to justify even if all families used only military commissaries and did not use civilian stores. The 188,000 dependents (roughly 80,000 families) would be spread between a minimum of 20 posts and possibly 50 or more; that would increase the dependent population at any one location by 1,400 to 3,500 families. While this would necessitate some increase in facilities and operating hours, it is inconceivable that the increase would be of the magnitude of 76% of the corresponding Europe cost.

The Defense Manpower Commission report came to the same conclusion in stating that the additional personnel

...using the commissary facilities in CONUS would have little effect on CONUS commissary costs because there are ample commissary facilities available in CONUS with enough resources to support the additional personnel. There are also large commercial [food] chains in CONUS that offer the same type of goods as the commissaries at essentially the same price....³²

Following that logic, the zero dependent policy should net a savings of the entire amount of \$27.5M; however, an arbitrary amount will be allocated of \$5M for CONUS facility overtime and improvements. The minimum dependent policy would cost \$8M (28% of the dependent times \$27.5) in European costs plus \$4M in CONUS costs for a net savings of \$15.5M. It is assumed that no additional dining facilities would need be built for the increase in personnel obtaining their meals in unit dining facilities. The 60-80,000 geographical bachelors would be accommodated in present facilities through extended feeding hours or increased capacity; the equipment and cooks are already present.

Base Operations. Base overhead is defined as the personnel costs associated with utility operations, post engineers, minor construction, fire protection, trash removal, and real property maintenance costs, all associated with running a base overseas.³³ Most of that cost would

remain under either policy since the bases would remain. Estimates are that ten percent of the present cost would be saved under a zero dependent environment;³⁴ with the minimum policy that would be reduced to a six percent savings.

The Europe base operations dollar savings, updated from 1975 dollars, would be \$61M and \$37M for the zero and minimum case. Those savings would not have a CONUS offset; the dependents remaining in CONUS are assumed to be spread uniformly among the stateside bases and the base operations services would be absorbed by present facilities. (The Nichols' report made the same assumption.)

Dependent Youth Activities (DYA). DYA in Europe are largely supported by non-appropriated funds; there is, however, some OMA funding. Excluding those facilities that are used by both the soldier population and dependents (such as athletic fields and photo labs), the bill for DYA activities was estimated in 1975 to be \$1M.³⁵ Accounting for inflation only (and not increased in dependent strength) that figure in '79 dollars would be \$1.25M.

Associated with the DYA program is an active Army personnel drain. Although carried against a TOE position, each local community and sub-community has military personnel, usually NCOs, working full time for the DYA. They would be available for a war-time mission, but do not train with their units, and would therefore be of questionable effectiveness. The number totals several hundred USAREUR-wide.

A summary of the three areas discussed in this section is provided below.

TABLE X
BASE OPERATIONS, COMMISSARY, DYA SAVINGS

	<u>Status Quo</u>	<u>Incremental</u>	
		<u>Zero</u>	<u>Minimum</u>
Commissary	27.5	+ 22.5	+ 15.5
Base Ops	61.0	+ 61.0	+ 37.0
DAY	1.25	+ 1.25	+ 0.2
TOTALS	89.7	+ 84.7	+ 52.7

The following table tabulates all costs/savings from Chapter II.

TABLE XI
SAVINGS/COST SUMMARY
(Millions)

	<u>Status Quo</u>	<u>Incremental</u>	
		<u>Zero</u>	<u>Minimum</u>
Schools Annual	\$151.1M	+ 127.8M	+ 93.3M
Personnel	--	- 40.2	- 36.1
Housing	306.7	- 13.8	- 79.2
PCS/Allow.	301.7	+ 174.1	+ 97.4
Medical	67.8	+ 12.5	+ 7.2
Base Ops, Comm, DYA	89.7	+ 84.7	+ 52.7
TOTALS	\$917.0M	+ 345.1M	+135.3M
+ Savings			
- Costs			

CHAPTER III

NON-QUANTITATIVE FACTORS

Introduction

Non-quantifiable factors are those that cannot be measured in dollars. They do, however, significantly impact on the question of dependents in Europe and, depending on the weights associated with them, may override conclusions derived from the cost analysis. Discussion of these factors will use three sources; expert opinion from military and civilian leaders, statistical data (where available), and analysis of the soldier questionnaire. This latter source (a sample of which is found in Appendix IV) was distributed to three CONUS troop posts (Ft. Jackson, Ft. Campbell, Ft. Ord) and two USAREUR kaserns (Mainz and Freidberg - the latter was not received in time to be included), in an attempt to solicit comments and trends from the people that would be most affected by a policy change: the E-4 thru E-8 and junior officers. Twenty-five were distributed to each location with a total of 92 returned and used. There was no attempt to extrapolate from this sample to the U.S. Army in general; however, the insight gained from the analysis of the soldier input is invaluable in evaluating the non-quantitative impacts of the alternatives on the status quo.

The factors to be examined are:

<u>Section 1</u>	<u>Section 2</u>	<u>Section 3</u>
Training/Readiness	Retention	CONUS units
Discipline/Drugs	Enlistment	Political
Morale	Family	Balance of Payments

The context in which the factors will be examined will essentially be the same alternatives presented previously; in general, though, the evaluation will not differentiate between the zero dependent and minimum dependent case. Instead the focus will be on dependents in Europe and whether their departure would affect the non-quantitative factor positively or negatively. At the conclusion of the chapter a summary chart will subjectively address the pros and cons; Chapter 4 will then compare the final cost table from Chapter 2 with the Chapter 3 final summary chart.

One final note. All non-quantitative factors are inextricably interwoven and interconnected. Although they are discussed in a partitioned manner, it is important to peruse the entire chapter and assimilate it as an entity. To do anything less makes the various parts incomplete and less than satisfactory.

Section 1

Training/Readiness

The areas of training and unit readiness are combined for discussion purposes because the author found it impossible to analyze one without the other. Units in USAREUR cannot be ready for their combat mission if they are not trained well, although readiness as a whole comprises more than training. Most importantly, if the combat readiness of USAREUR cannot be improved by an alternative dependent policy, no other argument, cost or non-quant, can support such a change from the status quo.

Either alternative dependent policy would result in greater annual turnover of personnel than now exists, a fact that has a negative impact on the maintenance of unit cohesiveness, which in turn degrades unit readiness and increases the training requirement.¹ General Blanchard, CINCUSAREUR, in arguing against the unaccompanied tour, wrote in March, 1979, that the increased training requirement would "significantly increase the supporting resource requirement and in some instances establish requirements that cannot be met at any price...maneuver area and range requirements would double but it is doubtful that additional land would be available to meet the need."² This reality sharply differentiates the European training situation from Korea. In the latter's case the facilities and land exist to support a high training tempo with a corresponding

positive influence on readiness despite a large turnover rate. In Germany, the present facilities - local training areas as well as the 7th ATC sites of Grafenwohr, Hohenfels, Wildflecken, and Baumholder - are strained to their maximum capacity and the far greater urbanization/population density of Western Europe makes expansion potentially very difficult.

The possible benefits in training and readiness that unaccompanied tours would bring are many and varied. Even without increased facilities the training tempo would increase without the distractor of the families. Training would reach a greater percentage of soldiers and would be supervised better because there would be few priorities other than preparation for the unit's mission.

The turnover problem would be challenging but should be viewed in its proper context. Most turbulence is unit created, not rotation induced. Stated differently, "tour lengths have far less impact upon turbulence than do Army and local personnel policies and actions."³ The Granger study, in addressing the 18-month tour for first term enlistees, stated "the effectiveness of training should improve due to better attitude, morale, and motivation."⁴ Both Generals Haig and Blanchard strongly support the 18-month tour for first term enlistees on the basis of improved training and readiness. However, the first term case does not address the career force which remains accompanied

with 36-month tours to provide a stable training base. The two alternative policies presented here remove that longevity also. The minimum policy does, however, reduce that impact.

The major advantage the minimum policy has would be in the area of readiness. With the Corps and higher staffs essentially stable for three years, the long-range planning and programming functions would not be affected by shortened tours. This continuity at higher levels would promote effective interoperability and would provide effective guidance and assistance to lower echelons that would be needed due to their shortened tours in line or staff jobs. Such a policy has worked effectively in Korea and should function equally well in Europe.

What, then, would be the further impact on training of the career force tour shortening? The questionnaire addressed that problem, asking if the shortened tour would impact positively, not at all, or negatively on training. Of the officers responding, virtually all felt training would improve. The European NCO response was negative, while the CONUS NCO (72% of which had served in Europe) response was positive. Overall, enlisted, NCO and officer, the feeling was that training would improve. The challenge would be to do that within the constraints described by General Blanchard.

The overall impact on readiness, of which turbulence and training are a part, drew an even response from the soldiers responding: half thought readiness would increase, half thought it would decrease. By comparison, the proposed tour length alternatives are 50% longer than is Korea (which maintains a high degree of readiness) or was the Vietnam tour. One part of readiness that would significantly improve would be response time to alerts. With the reduction or removal of dependents, all soldiers would reside on kaserns or in military housing. The problem of contacting the soldier who lives 20 miles away without a telephone would cease. The ability of combat units to assemble and clear their kaserns in two hours would be enhanced, a capability given the threat that should not be minimized.

In summary, training and unit readiness, while faced with major problems, should both be improved with a shortened tour. The amount of that improvement must be weighed against the other factors to determine the net balance.

Discipline/Drugs

Either new policy of removing or reducing dependents in Europe would be seen as an attempt to increase discipline and simultaneously reduce drug problems, especially hard drug use. This latter area is cited by military commanders as a primary reason for their support of 18-month tours for first term enlistees. Witness the following exchange

letter between the SACEUR and Senator Nunn of the Senate
Armed Services Committee:

Sen. Nunn: In other words, from a purely military point of view...you believe you would have a more ready force [with an 18-month tour]?

Gen. Haig: Absolutely.

Nunn: With shorter tours of duty, and less junior enlisted with dependents?

Haig: Yes, sir. And I would have less discipline and morale problems in the drug area.⁵

The relationship of the drug problem as it now exists and tour length was definitively established by the Army Research Institute (ARI) study conducted in USAREUR in 1977-78. Table XII from that effort shows the hard drug usage rate over time for first time enlistees.

TABLE XII

HARD DRUG USAGE, USAREUR, 1977-78

	Time in USAREUR in Months, 1978				24
	1-6	7-12	13-18	19-24	
Never Used	64%	58%	57%	53%	51%
Experimented With (once/month)	28%	32%	32%	35%	35%
Use daily to once/month	9%	10%	12%	12%	17%

Source: U.S. Army Research Institute, "Optimum Tour Length in USAREUR: First Term Enlisted Personnel" (Alexandria, VA, 1978), p. B-2.

The conclusions by ARI were twofold:

- More frequent replacement of personnel resulting from a shortened tour in USAREUR would decrease the hard drug problems because the hard drug use rate for new assessments in USAREUR is lower than that for the longer-term personnel being replaced.
- The severity of the drug problem in USAREUR when combined with the steady increase in drug use with length of time in USAREUR would support the desirability for shorter tour lengths in USAREUR.⁶

Despite these findings, the soldiers in the field felt differently. When asked if the 18-month tour would cause drug related problems to increase, decrease, or not change, by a four to one margin they stated drug problems would increase. This perception is judged to be very important because perceptions may become realities. To counter that perception, probably created by the belief that married soldiers without families would turn to drugs as an escape, the NCOs would have to lead the way in providing the small unit leadership vital in an environment such as Europe would become. In addition, the tempo of training would increase, removing most of that "free time" from the soldiers.

Turning now to disciplinary problems, there are several ways to measure discipline or lack of it. Courts-martial and non-judicial punishment rates are two. The picture is somewhat inconclusive when examined over different environments as seen in Table XIII.

TABLE XIII
UCMJ RATE PER 1,000
FY 1977, USAREUR

<u>Disciplinary Action</u>	<u>COMMAND</u>		
	<u>USAREUR</u>	<u>KOREA</u>	<u>CONUS</u>
General Court Martial	3.15	.68	1.02
Bad Conduct Discharge	.65	.46	1.30
Non-BCD Discharge	5.28	5.14	5.96
Special Court Martial	1.47	.63	3.09
Article 15	169.35	236.23	234.01

Source: U.S. Army Research Institute, "Optimum Tour Length in USAREUR: First Term Enlisted Personnel", p. 14.

More indicative was the field response. Here nearly 60% believed that discipline would improve. Two reasons for that belief are that the soldier is less apt to display the apathy towards the service now seen at mid-tour and that the NCO would play a greater role in the lives of the soldiers. To commanders and taxpayers supporting the standing overseas army, a more disciplined force would be heartily appreciated and would create an environment that would enhance training and respect for authority.

Overall, in the related areas of drugs and discipline, the alternative policies appear to improve both, the former significantly by compressing out the bad year of the present tour, the latter to a lesser degree through the perception

primarily by NCOs, that the shorter tour would improve that segment of troop conduct.

Morale

Of all the non-quantitative factors examine in the context of this analysis none exemplifies the concept of interdependence more than morale. Whether discussing individual morale or unit morale, it is impossible to analyze it without recognizing that training, leadership, environment, family and discipline impact on, and are in turn impacted upon, by morale.

Having stated that, and keeping in mind the previous sections on training, readiness and discipline, let us first look at individual morale and then unit morale.

Individual morale will be most affected by the soldier's satisfaction in his job and how he perceives his dependents are cared for. In the former, the alternative policies are essentially neutral, although increased training should make his job more meaningful and less boring, hence more satisfying. In the case of family separation, the morale impact is primarily negative. The soldier questionnaire showed a two-to-one margin indicating a decline in morale. Whether that inclination would be mitigated during the five-year implementation period of the alternative policy is a moot point; certainly with the assumption of a volunteer force such a disenchantment would have a deleterious impact on the service's ability to satisfy it's career force.

On the pro-alternative side, the denarture of the dependents would remove a potential morale problem in the event of a war in Europe. Representative Edwards of the House Armed Services Committee placed the question in this manner: "...wouldn't it be true...to assume that there would be a tremendous morale problem if there were an attack in Germany...and you [DoD] have all those families [there]?"⁷ The potential dilemma facing the young soldier for the safety and evacuation to the west of his family, and his requirement to go east to fight the enemy is hardly an appealing one.

While addressing the first term/unaccompanied soldier in Europe with relation to 18-month tours, the Feasibility of 18-Month Tour... study concluded that morale would increase in USAREUR with no significant impact on CONUS.⁸ In arriving at that conclusion, the study stated that the weaker soldier would be aided by the "light at the end of the tunnel" syndrome, but that the NCOs and junior officers could be negatively affected by their own longer tours.⁹

Either policy proposed would handle the last problem: all personnel would be under the same rules. The minimum strategy would have selected Corps and higher personnel assigned for longer periods but it is not likely that those relatively few (10%), serving in positions on high-level staffs, would be affected in a negative manner. All troop

units would be under the 18-month policy and thus not have a conflict of tour lengths.

Unit morale is affected by the sum of the individual's morale but the group total may be greater or lesser than the sum of its parts. Unit morale is built by a feeling of teamwork, of cohesiveness, of pride. A higher turbulence could degrade that aspect but, as discussed in the Training Section, not to the degree expected if battalion and below turbulence is minimized. There are other methods of counter-acting the negative aspects of the alternatives as they relate to unit morale. The easiest to initiate would be a system (using the CONUS basing scheme) to build unit pride by associating CONUS divisions with European divisions - a system somewhat akin to the British regimental system.

Under this concept, soldiers leaving Ft. Hood would always join the 1st and 2d Armored Divisions in Europe, Ft. Carson men would go to the 4th Brigade, 4th Division (Fwd), Ft. Bragg men to the Berlin Brigade, and so on. While USAREUR platoon and company integrity - and thus potentially higher unit morale - would not be maintained, morale would be aided by a divisional affiliation. This is but one example of a method to improve unit morale under a policy that is potentially damaging to it.

Overall, individual morale would suffer, at least initially as either alternative was enacted over the five year implementation period. Unit morale could be improved

if positive steps were taken to counteract the negative aspects; if nothing is done except shorten tours and remove dependents, unit morale is seen as dropping substantially. Dr. John White, the previous Assistant Secretary of Defense for Manpower, Reserve Affairs & Logistics believed that morale in general would be improved if such a policy of unaccompanied tours were in being.¹⁰ The key seems to be the measures taken to enact the alternative rather than the alternatives themselves.

Section 2

Enlistment/Retention

During the discussion on troop strength (Chapter II) reference was made to the Army's current recruiting shortfall. The prospect is not bright. If a prime motivator for adults contemplating joining the volunteer Army is having their dependents accompany them overseas, then either alternative policy would aggravate the recruiting problem.

When looking at enlistment in the context of unaccompanied overseas tours the marital profile of the current enlistee must be viewed as it differed from the past. In 1969, seven percent of the inductees were married; today¹¹ that number has doubled. Add the fact that by the end of their initial enlistment 25% are married and the significance increases in importance.

In this regard the questionnaire asked soldiers:

An unaccompanied 18-month tour in Europe would impact (positively) (not at all) (negatively) on your recommendation to someone to enlist in the Army?

The responses were surprisingly positive; almost twice as many answered in the affirmative as the negative (37 to 20). Variance between NCOs and EM was non-existent; both were almost two-to-one. Since the best recruiter for the Army is a person in the Army, this indication is considered one of the key findings of the questionnaire and of significant importance in relation to the All-Volunteer force.

At some conflict with that finding is the responses to the question of whether Germany duty is considered favorably or not. The junior enlisted, the ones closest to the enlistment process and the ones least socialized by the Army, were slightly negative (17 to 31) in terms of going to Europe. The alternative policies would increase the number sharing USAREUR duty and thus have undesirable consequences in the enlistment arena.

The related question to enlistment is retention. This is a two-pronged problem, one portion being the affects of family separation, the other being increased frequency of unaccompanied tours.

The picture is not at all clear when viewed from the perspective of the only current experience the Army has, that being Korea. Despite the unaccompanied status of

virtually all of the 2d Infantry Division and relatively short tour lengths of 13 months, that division has the highest reenlistment in the Army. Table XIV provides the last two years' data, with Europe and CONUS presented for comparison:

TABLE XIV

REENLISTMENT RATES
(% of Objective)

	1st Term/Careerist <u>FY78</u>	1st Term/Careerist <u>FY79</u>
8th Army (Korea)	146.7/128.8	136 /147.3
USAREUR	101.1/121.3	111.8/126.9
FORSCOM	106.6/119.1	107.4/103.6

Source: Phonecon with SFC Marino, Office of the DCSPER, U.S. Army, 24 January 1980

This should not be interpreted as an argument in favor of unaccompanied tours in Europe based on Korea's success. Many factors are significantly different between the two commands, making direct correlation difficult. For example, Korea is cheaper to live in than Europe, hence the soldier lives better than he could in CONUS or Europe; the unit mission is perceived to be more real than Europe; and the American presence is more accepted by Koreans than Germans, or said another way, it is not resented. Nonetheless, in the area of retention, for Korea unaccompanied tours are not a significant negative factor toward the decision to reenlist.

The questionnaire attempted to obtain soldier comments on their own reenlistment if an 18-month unaccompanied tour were instituted. Overall, the results were:

An 18-month unaccompanied tour would have the following influence on my decision to reenlist.

Positive.....	25
No Impact.....	37
Negative.....	27

Of interest is a further breakout of Europe and CONUS. In the European case, the negative responses equalled the sum of the "positive" and "no impact". In CONUS (where 72% of the careerists had served in Europe), while not altering the overall direction of the responses, the "positive" and "no impact" outweighed the "negative" by 40%. This would seem to indicate that in terms of reenlistment those looking forward to European assignments are less opposed to the 18-month tour idea than those in Europe.

The generally negative trend was more pronounced in the NCO group than in the junior enlisted (E-4 and below). Only 12 NCOs said that the 18-month idea would positively influence them as opposed to 17 who said it would have a "negative" impact, while the numbers were 13 and 10 for the juniors. This reflects a greater family orientation for the former group with a corresponding desire not to be separated from that family.

Viewed as a whole, the enlistment picture should be improved slightly based primarily on the very positive

feelings of the active duty soldiers. On the other hand, retention is seen to be negatively affected by the alternative policies.

Family

There are two sides of the family question: first, the impact of periods of separation from family; second, the impact of more frequent unaccompanied tours.

The first area has been somewhat misconstrued by the military leadership. General Vessey, current Vice Chief of Staff of the Army, commenting on a decision by President Eisenhower to reduce European dependents in the late 1950s, said that those servicemen "felt as though it was impinging on a privilege they had expected to have. They looked upon it with disfavor."¹² But is family separation significant? Air Force data would argue to the negative. During the past year the Air Force has conducted a survey of officers departing the service. Of the 675 interviewed, only 13% rated family separation as a major reason in their decision to leave the military, as compared to 51% for geographical stability and 51% for assignments.¹³

The increased frequency of an 18-month unaccompanied tour is similarly misleading. First, while the current accompanied tour is 36 months and unaccompanied 24, the actual average tour length for first termers in USAREUR is 22 months.¹⁴ Either alternative policy would translate to less than a six month decrease in the turnaround time for most personnel.

The greatest negative impact would be in the areas of those NCOs that are critically short or whose MOS' are pre-dominantly in Europe.¹⁵ The management of that problem is outside the scope of this study, but any reduction in tour length would have a definite negative impact.

The final counter to the family separation argument is seen in the number of servicemembers who voluntarily elect not to take their families to Europe in lieu of shorter tours, i.e., 24 versus 36 months. The former ASD for Manpower and Reserve Affairs, Dr. John White, testified that 20-25% of those eligible for overseas tours elect "all-others" tours (no dependents). USAREUR figures place that somewhat lower at 14.1%.¹⁶ Family considerations dominate that decision; typical comments from that group are:

- Want to leave my children in the high school they're at in CONUS.
- Too expensive to live with a family in Germany.
- Facilities (quarters, hospitals, commissaries, etc.) are inadequate.

Additional funds to improve/construct facilities and to increase cost of living allowances could counteract these perceptions. Realistically, though, to expect that quantity of money (\$6B) during the present period of tight budgets is wishful thinking.

One part of the soldier questionnaire dealt with stability in CONUS, specifically the 42-60 month stateside

basing plan. Soldiers were asked if such a concept would reduce the negative impact of an 18-month unaccompanied tour. The responses, divided into NCO and EM categories were:

	<u>In Favor</u>	<u>Opposed</u>
NCOs	27	22
EM	18	19
TOTALS	45	41

The negative comments provided by the junior men indicated that world travel was still a motivating factor in their joining the Army. Comments included:

"I want to see Europe." (PFC, Ft. Campbell)

"I'd probably never get there [Europe] if not for the service." (PVT, Ft. Campbell)

"The curiosity of seeing and learning something new and different would be the best experience I think I could ever have."
(PFC, Ft. Jackson)

"To see more of the world." (SP4, Ft. Ord)

For them, the 54-month tour is not appealing; but realistically the vast majority of them (86%) are single and would not be affected directly by the CONUS basing scheme.

The NCOs, however, were more in favor of the basing plan for the opposite reasons, i.e., having moved a great deal in the past and with school age children, the desire for stability is greater.

Both groups, NCO and EM, were unanimous in their beliefs that family and financial problems would increase with

the family in CONUS and the sponsor in Europe. The impact of this would be reduced, but not negated, by the proximity of the family to the CONUS base from which the servicemen departed (and will return), thus making the range of support facilities available to the wife and children.

Overall, either alternative policy is slightly negative in terms of the family as a unit, with the CONUS basing plan seen as a mitigating factor.

Section 3

CONUS Unit Impact

If the 208,000 man Army force in Europe is to remain constant and the tour length is reduced, the CONUS sustaining base will be affected. Servicemembers would be in Europe for a shorter period of time, requiring more to go and resulting in more European experienced soldiers returning to CONUS units. Under the present system a three-year enlistee would not serve in both CONUS and Europe upon completion of basic and advanced individual training; there would not be sufficient time to do so. A four-year enlistee could but if he went to USAREUR first he probably would not see a CONUS assignment unless he reenlisted.

The basing plan presented would create some turbulence in CONUS troop units but that would be counteracted by the experience gained in Europe and the "real mission" orientation of it. The alternative policies would result

in less stability in U.S. units. On the other hand, the distribution of those serving in Europe would be spread over a larger population with a positive benefit to the Army as a whole.

The largest impact would not be on the junior enlisted but on the career force in U.S. units. The turnaround time under the basing concept would not be shortened significantly as discussed earlier and should not, therefore, negatively affect those units' ability to train. NCOs and junior officers would be returning to the unit they had served in previously with all the advantages accruing of familiarity with unit SOPs, post training facilities, and the like. The "regimental affiliation" scheme presented in the Morale discussion would bolster the CONUS unit's cohesiveness and counteract the influence of the slightly decreased turnaround time for deployments.

On the balance, while accepting the increase in turbulence and the responsibility associated with home-based dependents, CONUS units should be able to overcome the problems induced by the alternative policies. The U.S. Force Command (FORSCOM) should gain substantially from the increase in European-trained men and from the return of NCOs and officers who had served in the same unit prior to their European deployment.

Political Impact

The maintenance of dependents in Europe has long been justified as a symbol of our affirmation to NATO of the intention to honor our commitments to the defense of those nations. A withdrawal of dependents, limited or otherwise, in the eyes of the former SACEUR, "would have a deleterious impact on Alliance solidarity."¹⁷ USAREUR argues further than a change from the current position "would invariably cause doubts to arise as the ultimate intention of the U.S."¹⁸

Opposing the negative impact on our Allies are the perceptions of the Soviet Union and Warsaw Pact. Dependent withdrawal could be viewed as a lessening of our resolve to NATO as many critics have argued. More likely it could be seen as an aggressive move to increase the combat readiness of the U.S. forces by removing out dependents with the corresponding removal of the need to evacuate them in time of war. This interpretation would challenge the precepts of detente, with a corresponding hardening of the Warsaw Pact positions on Berlin, East-West trade, and similar issues.

One who discounts this reaction by the Russians is RADM Welch, President of the Naval War College, who for the past 12 years was a member of the multinational negotiating team on the Mutual and Balanced Force Reduction talks and other matters of arms control. As a student and

observer of Russian military and civilian leadership, Admiral Welch contends that if an alternative policy were developed over a suitable period of time (as the assumed five years would be) the Russians would accept it as an economic move, not an aggressive one.¹⁹ As such, it would have virtually no impact on either MBFR, SALT or detente.

Further, the impact on detente could be outside of the US-USSR context. If the Allies, despite consultation before the fact, doubted the U.S. resolve, it is conceivable that the European countries would react by individually approaching the Soviet Union for their own detente.²⁰ The implications for a strong, unified NATO are obvious.

In Admiral Welch's eyes, the key to minimizing the negative political aspects of any reduction is to be frank with our Allies in the developing and implementing of such a move and at the same time making it clear to the Russians why the move is being made. The latter is less of a problem than the former, for the U.S. has a poor history of developing consensus with our NATO partners prior to acting unilaterally.

The net political impact of the alternative appears to be negative, primarily from our Allies viewpoint and, to much a lesser extent, from the Soviet. The status quo is politically stable and thus reassuring to both sides.

Balance of Payments

A "quantifiable non-quant factor" is the best way to describe the balance of payments. This topic borders on the edge of the study in that it is not directly related to Federal dollars. As such, a discussion will be presented on the subject as it relates to the alternative policies, allowing the reader to judge whether it should be considered.

In 1978 Senator Nunn stated that the military-related (not trade) balance of payments deficit with the Federal Republic of Germany had gone from \$900 million to \$1.3 billion, or \$1.42 billion in '79 dollars.²¹ With 70% of the total force in Germany, the pro rata share for each serviceman's dependent and DoD civilian would be \$3,017. For the Army and civilian dependents (188,000), EUCOM totals \$576M, a sum that would not be lost if the dependents were not there, and if the per capita figure held true for other (non FRG) countries. Even with variance between nations the figure would not change much since 95 percent of the Army in EUCOM is in the Federal Republic of Germany.

The components of that per capita share would include direct expenditures on the economy for entertainment, housing payments with their associated HOLA, most of the cost of living (COLA) allowance, and indirect payments such as the portion of commissary and PX costs associated with

utilities and transportation. It is clear that the balance of payments factor is negative for the status quo and strongly positive for the alternative policies.

A final summary chart of the non-quantitative factors is provided below.

TABLE XV
NON-QUANT SUMMARY

<u>FACTOR</u>	<u>STATUS QUO</u>	<u>ALTERNATIVE</u>
Training	Neutral	Slightly Improved
Readiness	Good	Improved
Discipline/Drugs	Poor	Improved Considerably
Morale (Indiv/Unit)	Good/Neutral	Decline/Improve
Retention	Good	Decline
Enlistmen	Neutral	Improved
Family	Good	Poor
CONUS Unit Impact	Neutral	Slightly Improved
Political	Good	Poor
Balance of Payments	Bad	Good

CHAPTER IV

CONCLUSIONS AND RECOMMENDATIONS

In attempting to weigh the many quantitative and non-quantitative factors that comprise this study, it is tempting to seize upon two or three areas that are bias in one direction or the other and generalize a conclusion based on those areas. Like most complex issues, however, the reader is the one who imparts on the various factors the degrees of importance associated with each. In view of that, the conclusion derived from the preceding two chapters will be affected by the author's internal weighting scheme; the data from which those conclusions are drawn are displayed in Table XVI, Summary of Cost/Non-Quantitative Factors.

The underlying current that has necessitated an examination of the status quo and the proposal of two alternatives is that first, Europe is a more difficult place to live now than it was when the policy of accompanied tours was created or even than it was five years ago; second, the threat facing USAREUR is greater, thus requiring greater readiness; and third, the number of dependents has grown by large amounts in the past ten years.

A reasonable conclusion would be to maintain the status quo. That option has its greatest appeal in the political

TABLE XVI
SUMMARY OF COST FACTORS

<u>FACTOR</u>	<u>STATUS QUO</u>	<u>INCREMENTAL</u>	
		<u>ZERO</u>	<u>MINIMUM</u>
Schools	\$151.1M	+127.8	+ 93.3
Personnel Increases ¹	-	- 40.2	- 36.1
Housing	306.7	- 13.8	- 79.2
PCS/Allowances	301.7	+174.1	+ 97.4
Medical	67.8	+ 12.5	+ 7.2
Base Ops, Other	<u>89.7</u>	<u>+ 84.7</u>	<u>+ 52.7</u>
TOTAL	\$917.0M	+345.1	+135.3

SUMMARY OF NON-QUANTITATIVE FACTORS

<u>FACTOR</u>	<u>EVALUATIONS</u>	
	<u>STATUS QUO</u>	<u>ALTERNATIVE</u>
Training	Neutral	Slightly Improved
Readiness	Good	Improved
Discipline/Drugs	Poor	Improved Considerably
Morale (Indiv/Unit)	Good/Neutral	Decline/Improve
Retention	Good	Decline
Enlistment	Neutral	Improve
Family	Good	Poor
CONUS Units	Neutral	Slightly Improved
Political	Good	Poor
Balance of Payments	Bad	Good

¹ Transient/pipeline increase.

and family areas but does not fair so well in the economic (including balance of payments) or discipline/drugs areas. Given the long term weakness of the dollar in Europe and infeasibility of drastically increasing allowances and facilities to counteract this problem, life in Europe for the Army family will not get better for the foreseeable future. This has serious negative connotations for the morale and readiness of the soldier and his unit. To those difficulties add the evacuation problem and the status quo is deemed undesirable. Indeed, Congressional action to cap the number of overseas dependents is an indication to DoD that the current policy needs to be scrutinized.

It is not at all surprising that dollars and gold flow are to be saved under either alternative. What is surprising is the magnitude of those dollars; they are substantially greater than reported by the Army in the Nichols' Report due mainly to the savings in school costs and lack of PCS moves via the CONUS basing concept. On a per dependent (both military and civilian) Army-Europe basis, the net savings under the zero policy are \$1,835 while the minimum policy savings are \$718; the total savings are \$345 and \$135 million respectively. Those quantities are not trivial. To put them in perspective, the savings generated by the zero policy would purchase 300 XM1 tanks, or 700 XM2 Infantry Fighting vehicles, or 34 Blackhawk attack helicopters and

three squadrons (54 aircraft) of Thunderbolt A10As -- ANNUALLY.¹ Similarly, the minimum policy savings could support 50 additional days per year of local area field training for every mechanized and armor battalion in Europe* (including the cost of fuel and vehicle repair parts), with sufficient remaining dollars for major USAREUR training center improvements!

Furthermore, there are additional one-time savings that could accrue under either alternative that must be considered. Of these identified, household furniture was the largest, with DoD school property being another of undetermined magnitude. Junior enlisted travel for overseas (\$100M) as well as programmed major construction of schools and housing areas are also one-time potential savings. Personnel cost/savings must also be weighed; the increase in Army end strength due to transient population increases are by far the most important; more subtle are the savings accrued from a reduction in troop diversions to such dependent-related activities as DYA and evacuation (NEO).

As enticing as all of that is to budgeteers or senators like Sam Nunn (see quote, page 1) the decision should be made in "human" terms. "The voice of the soldier must be heard as well as cost effectiveness arguments."² The "voice of the soldier", seen through the soldier questionnaire, was pessimistic in the areas of morale, esprit, family, finances, drugs, and alcohol, and in favor of the reduced tour without

*Based on FY79 LTA costs of \$5000 per day for mech battalions and \$15000 per day for armor battalions.

dependents in the areas of enlistment, discipline, and readiness.

In an era of the volunteer force, when the military finds itself bidding for manpower in the marketplace, soldier skepticism can hardly be overlooked. There is, however, some statistical evidence that contradicts several of their beliefs. The areas of retention and drugs appear to be improved with a shorter tour. Even armed with those statistics, the all-volunteer force concept is the single most important factor in analyzing the alternatives to the status quo from the non-quantitative viewpoint.

The two non-quantitative areas that were essential to the analysis were discipline and readiness. Here the soldier response indicated clearly an improvement. Ideally, that should carry the argument for moving from the status quo to either alternative policy. But the arguments presented in the last paragraph on the nature of the force preclude the dominance of readiness and discipline.

The Tour Length Task Force (TLTF) analysis supported the 18 month tour for first term enlistees based mainly on non-quantitative rational. While not directly comparative to this study (because it did not address dependents), the TLTF is supportive of the following CINCEUR's comment:

A reduction in the first term unaccompanied soldier's tour of duty in Germany of 18 months, with provisions for voluntary extension on an

individual basis, is the single most effective step we can take to effect an immediate increase in the morale and combat readiness of this command.³

Even if the TLTF succeeds in the 18 month tour for first term enlistees, that will not significantly alter the dependent problem, nor affect at all the career force. There was ample evidence, however, in the questionnaire to support some modification to current policies for the career NCO and officer as they pertain to tour lengths and dependent status.

Taken together, the quantitative and non-quantitative results indicate that some move away from the status quo is practical and that the readiness of the Army in Europe can be improved by such a move. As Senator Stennis stated, "It is the effectiveness of our military forces that I am concerned about."⁴ If the alternative policies can assist effectiveness then the Army is obligated to procede in that direction.

Recommendations

Having concluded that the dollars to be saved are significant and that the non-quantitative aspects do not counter-balance those savings, there remains the question fo what is to be done. The first recommendation is a negative one:

- Maintaining the status quo with the 325,000 Congressional cap is not recommended.

The reasons for the first recommendation are primarily economic, both in terms of the cost of dependents to the government as well as cost to dependents to live adequately in FRG. The problems of evacuation and readiness only add to this recommendation.

There remains the zero dependent and minimum dependent alternatives or a combination/derivation of the two. The zero policy is lucrative from the financial viewpoint and accrues the same advantages/disadvantages of the minimum policy except in the area of readiness as seen from higher level staffs. There appears to be no way to overcome the deficiency of little or no continuity at higher levels and would result in relearning many hard lessons every 18 months. For that reason,

- The 18 month tour for all personnel with zero dependents in Europe is not recommended.

For the same reasons, the minimum policy is desirable, although the dollars saved are far less.

- The minimum dependent policy (20,000 accompanied personnel, 50,000 dependents) should be promulgated and implemented over the next five years.

In conjunction with the minimum policy there are a series of recommendations that must accompany it.

- Funds saved by the dependent reduction should be reprogrammed into USAREUR for training and readiness.

It is recognized that this is not easily done and, in some cases, may be impossible. Nevertheless, it must be impressed upon the comptrollers and Congressional Appropriation Committees that the purpose of this reduction is not primarily to save money but to improve unit and individual readiness. If the funds are diverted elsewhere the forward deployed Army has gained nothing and lost much.

- The CONUS basing scheme should be enacted via a reenlistment or assignment agreement.

The current policy of moving families when the servicemember departs on an unaccompanied tour is unnecessary, wasteful, and easily correctable. The funds saved by removing the excess PCS moves are significant.

- Non-command sponsored dependents will be permitted only emergency medical treatments in Europe.

With the minimum policy a portion of the current support structure would remain to service the 50,000 dependents. That structure would be overwhelmed if the non-command sponsored dependents (15,000) remained at current levels or increased. Through successful education of dependents and their sponsors of what will (and will not) be available in Europe, and in conjunction with a solid CONUS support program, the NCS problem can - and must - be eliminated. Experience in Korea has demonstrated that such restrictions are viable and do result in a reduction of NCS dependents.

Summary

The conclusions developed and recommendations made are substantiated in the preceding analysis. That the minimum dependent policy will improve USAREUR's combat readiness is both desirable and doable. There are, however, repercussions associated with such a policy that should be noted as well as areas of further investigation that would be illuminating.

1. The impact on the other services, specifically the Air Force, will be considerable. An evaluation should be undertaken of their dependent policies and facilities in view of the Army change.

2. In an attempt to further quantify the feelings and perceptions of the career force, the Army should initiate a two-fold, large scale soldier questionnaire. One segment would concentrate on career NCOs and officers departing the service; its purpose would be to ascertain their reasons for leaving. The other segment would address the active force on the minimum policy and its implementing features; its purpose would be to avert catastrophic errors in implementation prior to the fact.

3. An indepth analysis of the true dimensions of the dependent related troop diversions in Europe is needed.

4. Another look at unit rotation on battalion level is warranted. Despite past unsuccessful (from both cost

and CONUS unit readiness standpoints) attempts at unit replacement, it could prove beneficial in light of the reduction of dependents in Europe.

There are other tangents that this effort could productively lead to; any of them that do not address the central theme of improved readiness should not be pursued. Those that do will contribute to the overall goal of today's Army in Europe as I hope this effort has: to be better prepared to win the first battle of the next war.

NOTES

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APPENDIX I

NICHOLS REPORT COST DATA

THE INCREMENTAL COST OF MAINTAINING ARMY DEPENDENTS IN EUROPE

Overview. Costs associated with maintaining dependents in Europe include medical, commissary, housing, school and base operations support, in addition to permanent change of station and overseas allowances. However, many of these costs, and other offsetting costs, are associated with the potential alternative policy of supporting these same dependents in the United States. Hence, the cost relevant to the issue of whether more or fewer dependents should be in Europe vice the United States is the incremental cost---the difference between the cost required to maintain dependents in Europe and those which would be incurred to support these dependents in the United States if current policies were changed. The incremental cost is developed in the table attached, based on supporting assumptions and cost considerations described in the paragraphs which follow.

Assumptions. To quantify the incremental cost, it is necessary to construct a hypothetical alternative to existing policy. It is assumed that the number of United States Army troops stationed in Europe would remain unchanged and that the tour length for all personnel would be 18 months in an unaccompanied status vice the current policy of 36 months in an accompanied status and 24 months in an unaccompanied status. It is further assumed that the option of the service members to move their dependents and household goods to a designated location for the duration of the unaccompanied tour would continue to be available.

Permanent Change of Station (PCS) and Allowances. The Army currently spends approximately \$290 million per year for overseas station allowances, travel of dependents, and transportation of household goods and privately owned vehicles. A shortened tour length would require additional PCS moves. The additional cost for increased moves of service members and designated point moves of families and household goods would consume approximately \$120 million of the cost avoidance of dependents remaining in CONUS. In addition, necessary increases in manpower to compensate for the additional soldiers in transient status would cost approximately \$85 million. Hence, the alternative policy would cost \$205 million, and the incremental cost associated with the present policy in this functional area is approximately \$85 million.

Family Housing. Current family housing costs for Europe are approximately \$250 million. Under the alternative policy, it is assumed that dependents would remain in the United States and that government quarters would not be available to them. This would require offsetting recurring payments of \$124 million for Basic Allowance for Quarters and \$31 million for Family Separation Allowances. The family service members would then be classified as geographical bachelors and require \$105 million for housing operation and maintenance. Therefore, the alternative policy would cost \$260 million and the present policy represents an incremental cost avoidance of \$10 million. This computation does not take into account substantial one-time costs, which would be required to provide for geographical bachelor housing by either converting existing family housing to bachelor quarters (\$82 million if Allied Governments permitted the modifications) or constructing new billets (\$5.9 billion).

Medical. Current medical costs for dependents in Europe are approximately \$75 million per year. The same care in CONUS, under an optimistic arrangement involving both the direct care system and CHAMPUS, would cost approximately \$60 million, while placing a \$24 million burden directly on the military families for dental care and those medical costs not covered by CHAMPUS. The incremental cost to the government for medical care for dependents would be \$15 million under this assumption; however, when compared in this light, the present policy represents a cost avoidance of \$24 million for military families, a cost which, if borne, would effectively reduce their total compensation.

Schools. The cost per pupil for dependent schooling in Europe is estimated at \$2,035. If all Army student dependents were enrolled in the United States, the cost per pupil under the Impact Aid Program from funds appropriated to the Office of Education would be about \$1,858. Assuming that 70% of the 108,000 military student dependents stationed in Europe are Army, the present policy costs \$154 million, the alternative policy \$141 million, and the incremental cost in the area of dependent schooling is approximately \$13 million.

Base Operations. The incremental cost of base operations is estimated to be \$30 million above the United States' cost. This assumes that the dependents would be dispersed throughout the United States under the alternative policy and, therefore, no further base operations support requirements would be necessitated.

Commissaries. Operations and Maintenance costs to support Europe resale commissaries are approximately \$25 million. Assuming all Europe dependents were returned to the United States and it became mandatory that the remaining military and civilian employees utilize military dining facilities in Europe, all Army resale commissaries in Europe could be closed. If these dependents were equally distributed throughout the United States, commissary support is estimated at \$19 million. Thus the incremental cost of commissary operations to support dependents in Europe is approximately \$6 million.

Summary. Consideration of all areas mentioned above yields an annual recurring incremental cost of supporting dependents in Europe, of approximately \$139 million. On the basis of the total 176,618 command and noncommand sponsored dependents in Europe, the incremental cost is approximately \$800 per dependent. In addition to the costs discussed above, there are many unquantifiable and intangible "costs" which merit consideration. One notable example is the adverse impact on recruiting and retention which the hypothetical alternative policy would have due to the reluctance of soldiers or potential soldiers to spend repeated tours without their dependents. Increased recruiting and retention costs associated with the no dependents overseas might well make the current with dependent policy the cheaper alternative. Other difficult to quantify impacts are the effects of increased personnel turbulence, associated with shorter tours, and the morale effects on operational readiness.

INCREMENTAL COST OF MAINTAINING
ARMY DEPENDENTS IN EUROPE
(\$ MILLIONS)

Support Category	Cost to US Government		Incremental Cost Dependents in Europe
	Dependents Accompany Sponsor to Europe	Alternative Policy Depen- dents Remain in CONUS	
Medical	\$ 75	\$ 60 ^{1/}	+\$15
Commissary	\$ 25	\$ 19	+\$ 6
Family Housing	\$250	\$260 ^{2/}	-\$10
Schools	\$154	\$141	+\$13
Base Operations	\$ 30	-	+\$30
PCS/Overseas Allowances	\$290	\$205	+\$85
Total	\$824	\$685 ^{3/}	+\$139

Total Army Military Dependents in Europe: 176,618
(Command Sponsored 156,998, Noncommand Sponsored 19,620).

Approximate Incremental Cost Per Army Military Dependent in Europe: \$800

^{1/} Does not include \$24 million increased CHAMPUS cost burden placed on service members.

^{2/} Does not include one-time conversion of family housing to bachelor quarters cost of \$82 million, if Allied Governments allowed conversion, to \$5.9 billion if new construction were required.

^{3/} Does not include potential policy adverse impacts on costs associated with recruiting, retention, morale, and turbulence.

APPENDIX II

GENERAL DATA

APPENDIX II

GENERAL DATA

1. GENERAL

208,000 Army Servicemembers = 63% of EUCOM total
13,000 DA civilians
221,000 Army employees

176,000 Army dependents
11,000 DA civilian dependents
187,000 Total dependents = 61% of EUCOM total

2. EDUCATION

108,000 students in DODS-Europe
60% Army related
64,800 Army student dependents

3. FAMILIES

80,000 Command and non-command sponsored

4. MINIMUM dependent alternative:

20,000 accompanied servicemen = 9.6% of total Army
= 25% of presently accompanied personnel

50,000 dependents = 27% of total present Army dependents
= 28% of total present military dependents

5. CPI inflators:

76-77 = 6.5%; 77-78 = 7.7%; 78-79 = 9.6%

APPENDIX III

MEDICAL DATA

AD-A090 695

NAVAL WAR COLL NEWPORT RI CENTER FOR ADVANCED RESEARCH
TRADEOFF ANALYSIS OF REMOVING DEPENDENTS FROM USAREUR.(U)
JUN 80 W A MATHER

F/6 15/3

UNCLASSIFIED

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2 of 1

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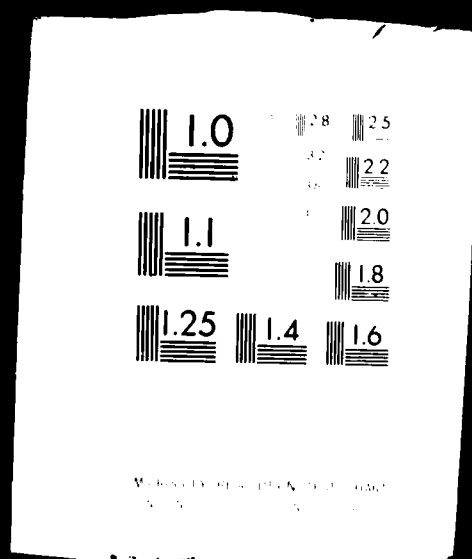
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APPENDIX III - Medical Data

EUROPE COST

Bed: 117,530 @ \$191.12 = 22.5M
 Clinic: 1,420,580 @ 22.78 = 32.4M
 Dental: 1,429,162 @ 9.04 = 12.9M

67.8M

ZERO DEPENDENTS

Bed: ARMY CONUS (74%) = 86,972 @ \$174.24 = 15.15M
 CHAMPUS (26%) = 30,558 @ 230.46 = 7.04
 \$22.2

Clinic: ARMY (90%) = 1,278,477 @ 19.84 = 25.4M
 CHAMPUS (40%) 142,053 @ 65.79 = 9.34
 +
 34.7

Dental: ARMY (10%)* = 142,916 @ 7.25 = 1.04M
 +
 1.0

57.9

MINIMUM DEPENDENTS

Bed: EUROPE (27%)** = 31,733 @ 191.12 = 6.06M
 85,797 ARMY CONUS (74%) = 63,490 @ 174.24 = 11.06M
 CHAMPUS (25%) = 22,307 @ 230.46 = 5.14M
 22.3

Clinic: EUROPE (27%) = 383,543 @ 22.78 = 8.74M
 1,036,987 ARMY CONUS (90%) = 933,288 @ 19.84 = 18.51M
 CHAMPUS (10%) = 103,698 @ 65.74 = 6.82M
 34.1

Dental: EUROPE (28%) = 385,873 @ 9.04 = 3.49M
 4.21
 ARMY CONUS (10%) = 104,329 @ 7.25 = .75M
 CHAMPUS (0%) 0 0 0
 60.61

* % of Europe
 ** % of Total

APPENDIX IV

SOLDIER QUESTIONNAIRE

The problem of dependents in Europe has received increasing attention in recent months by both the Congress and the Army. The purpose of this questionnaire is to determine the impact of servicemen of a change in the present policy (36 months with dependents or 24 months without) to one of 18 months unaccompanied for most or all personnel. The results of the questionnaire will be used as part of a study conducted for the Naval War College and is not connected with a DA effort.

1. GRADE: _____ MOS _____ TIME IN SVC: _____(Years) MARRIED: YES NO

2. PRESENT DUTY STATION: CONUS EUROPE

A. IF EUROPE, DEPENDENT STATUS IS:
 ACCOMPANIED, COMMAND SPONSORED
 ACCOMPANIED, NON-COMMAND SPONSORED
 NON-ACCOMPANIED

B. IF CONUS, I (HAVE) (HAVE NOT) SERVED IN EUROPE

AN UNACCOMPANIED 18 MONTH TOUR WOULD HAVE THE FOLLOWING IMPACTS:

3. ON YOUR DECISION TO REENLIST: POSITIVE NONE NEGATIVE

4. ON YOUR RECOMMENDATION TO POSITIVE NONE NEGATIVE
 SOMEONE TO JOIN THE ARMY?

5. WHAT IMPACT WOULD AN UNACCOMPANIED TOUR HAVE ON EUROPEAN UNIT

A. MORALE	NEGATIVE	NONE	POSITIVE
B. TRAINING	NEGATIVE	NONE	POSITIVE
C. ESPRIT	NEGATIVE	NONE	POSITIVE

COMMENTS:

6. WOULD A GIVERNMENT PAID ROUND TRIP PLANE TICKET FOR THE SERVICE-MEMBER TO CONUS W/2 WEEK LEAVE AT MID-TOUR CHANGE ANY OF THE RESPONSES TO (5) ABOVE?

A. MORALE	NEGATIVE	NONE	POSITIVE
B. TRAINING	NEGATIVE	NONE	POSITIVE
C. ESPRIT	NEGATIVE	NONE	POSITIVE

COMMENTS:

7. ONE METHOD OF REDUCING THE IMPACT OF EXCESSIVE FAMILY MOVES IN CONJUNCTION WITH AN UNACCOMPANIED TOUR WOULD BE TO ASSIGN THE SERVICEMAN TO A CONUS POST FOR 54-60 MONTHS, OR WHICH 18 WOULD BE OVERSEAS, WITH THE DEPENDENTS REMAINING AT THE POST DURING THAT PERIOD. WOULD SUCH A STABILIZED 54 MONTH ASSIGNMENT OVERCOME THE NEGATIVE ASPECTS OF THE 18 MONTH TOUR?

YES NO

IF MARRIED, DOES YOUR WIFE AGREE? YES NO IF NOT, WHY?

8. IN EUROPE, A FORCE WITHOUT DEPENDENTS WOULD EXPERIENCE SOME PROBLEMS IN DIFFERENT DEGREES FROM THE PRESENT SITUATIONS. GIVEN THAT TRAINING AND FIELD TIME WOULD INCREASE, AND THAT ALL NCOs AND OFFICERS WOULD LIVE IN BEQ/BOQ OR BARRACKS, IN YOUR OPINION WHAT WOULD OCCUR IN THE FOLLOWING AREAS:

ALCOHOL ABUSE	INCREASE	NO CHANGE	DECREASE
DRUG ABUSE	INCREASE	NO CHANGE	DECREASE
FINANCES	INCREASE	NO CHANGE	DECREASE
INCIDENTS w/GERMAN CIVILIANS	INCREASE	NO CHANGE	DECREASE
DISCIPLINE	INCREASE	NO CHANGE	DECREASE
UNIT READINESS	INCREASE	NO CHANGE	DECREASE

9. IS AN ASSIGNMENT TO EUROPE (REGARDLESS OF DEPENDENT STATUS) VIEWED FAVORABLY OR UNFAVORABLY BY YOU?

WHY?

10. ANY ADDITIONAL COMMENTS, PRO OR CON, ON THE SUBJECT?

AUTHENTICATED /s/
F.C. CASWELL, JR.

APPENDIX V

SUMMARY OF QUESTIONNAIRE

APPENDIX V

SUMMARY OF QUESTIONNAIRE*

PROFILE:	5 Officers	MARITAL STATUS:	<u>YES</u>	<u>NO</u>
	49 NCOs	Officers	4	1
	38 EM	NCOs	42	7
		EM	12	26

EUROPEAN TOUR PREVIOUSLY: 28 NCO (72% of CONUS)
 3 EM (9% of CONUS)

		OFFICERS	NCO	EM	TOTALS (E1-E9)
RETENTION	P		12	13	25
	-	N/A	21	16	37
	N		17	10	27
ENLISTMENT	P		21	16	37
	-	N/A	15	16	31
	N		13	9	20
MORALE	P	1	14	9	23
	-		5	5	10
	N	4	26	23	49
TRAINING	P	1	15	13	28
	-		13	15	28
	N	4	16	9	25
ESPRIT	P	1	17	9	21
	-		9	13	21
	N	4	20	15	35

*Incomplete questionnaires resulted in variation of total number of responses.

		<u>YES</u>	<u>NO</u>
DESIRABILITY OF 54 MONTH TOUR:			
	NCO	28	19
	EM	18	19

		OFFICERS	NCO	EM	TOTALS
ALCOHOL	I	5	32	29	66
	-	-	13	9	22
	D	-	4	1	5
DRUGS	I	4	21	23	48
	-	1	19	10	30
	D	-	7	6	13
FAMILY	I	5	38	28	71
	-	-	5	6	11
	D	-	6	4	10
FINANCIAL PROBLEMS	I	3	29	14	46
	-	2	14	16	32
	D	-	6	9	15
	I	5	35	19	59
	-	-	11	13	24
	D	-	3	6	9
DISCIPLINE	I	3	24	10	37
	-	-	13	15	28
	D	2	12	13	27
READINESS	I	2	22	16	40
	-	1	11	12	24
	D	2	15	11	28

IS A EUROPEAN					40
TOUR VIEWED	F	3	24	13	37
FAVORABLY OR	U	2	18	17	
OTHERWISE BY					
YOU?					